

**Before The  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
High-Cost Universal Service Support	)	WC Docket No. 05-337
	)	
Federal State Joint Board on	)	CC Docket No. 96-45
Universal Service	)	
	)	
<i>Reverse Auctions NPRM (FCC 08-5)</i>	)	Notice of Proposed
	)	Rulemaking, 23 FCC Rcd
		1495 (2008)

**REPLY COMMENTS OF THE  
TEXAS OFFICE OF PUBLIC UTILITY COUNSEL  
ON USING REVERSE AUCTIONS TO DETERMINE  
HIGH-COST UNIVERSAL SERVICE SUPPORT**

The Texas Office of Public Utility Counsel (“TOPC”)<sup>1</sup> respectfully submits these reply comments on the issues regarding the use of reverse auctions to determine high-cost universal service support, pursuant to the Notice of Proposed Rulemaking (“*Reverse Auctions NPRM*”) issued in the above-captioned dockets.

TOPC concurs with and supports the April 17, 2008 comments filed by the National Association of State Utility Consumer Advocates (“NASUCA”). While the FCC, in its introduction to the referenced NPRM, offers several

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<sup>1</sup> TOPC is a state agency created by the Texas Legislature to represent the interest of residential and small commercial consumers involving telephone and electric utility issues. Public Utilities Regulatory Act, Tex. Gov’t Code Ann. §13.001 (Vernon 1998 & Supp. 2005).

“potential” advantages of the reverse auction mechanism over current high-cost support distribution mechanisms, TOPC agrees with NASUCA that the report card, instead, supports the use of auctions for high-cost funding only in currently unserved territories and as potential pilot programs for broadband or mobility service in such areas. Fundamentally, TOPC shares NASUCA’s concerns with an auction process that potentially promulgates incentives for degradations of quality by an entity winning such an auction because it had the lowest bid. This “race to the bottom” with respect to quality and availability of services could be a serious consequence of such a process. TOPC believes that the rural customers who were promised universal availability of quality communications services at affordable and reasonably comparable rates by the 1996 Telecommunications Act will find themselves in jeopardy by the FCC’s coordination of an auction process in high cost territories currently served by incumbents who have invested billions of dollars to provide these services.

TOPC appreciates the opportunity to file these reply comments, and urges the Commission’s consideration thereto.

Dated: June 02, 2008

Respectfully submitted,

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